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July 21, 2005

VIA HAND DELIVERY

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

**Re: Horry Telephone Long Distance, Inc. Tariff Filing to Eliminate
Distance-Sensitive Elements and Introduce a New Flat Rate
Offering to Residential Customers
Docket No. 2005-84-C**

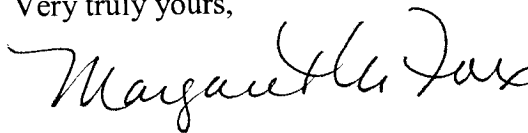
Dear Mr. Terreni:

Enclosed for filing in the above-referenced matter please find an original and ten (10) copies of the attached Motion for Expedited Review. Also enclosed for filing in the same matter is an original and twenty-five (25) copies of the verified testimony of Bill Rabon. By copy of this letter and certificate of service, all parties of record are receiving a copy of this filing via U. S. Mail.

Please clock in a copy of the Motion and Testimony and return it with our courier.

Thank you for your assistance.

Very truly yours,



Margaret M. Fox

MMF/rwm

Enclosures

cc: Parties of Record
Bill Rabon

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-84-C

Horry Telephone Long Distance, Inc. Tariff)
Filing to Eliminate Distance-Sensitive Elements)
and Introduce a New Flat Rate Offering to)
Residential Customers)
_____)

MOTION FOR EXPEDITED REVIEW

Horry Telephone Long Distance, Inc. ("HTLD") hereby respectfully moves for expedited review of its tariff filing to eliminate distance-sensitive elements and introduce a new flat-rate offering to residential customers.

HTLD requests that this matter be decided, based on the proposed tariff filing and the verified testimony of Bill Rabon, at the Commission's earliest opportunity. This motion is made on the following grounds:

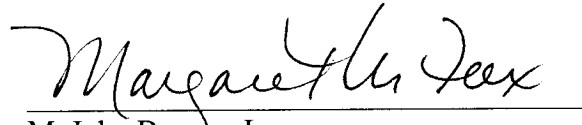
1. Applicants published notice of the filing of the request in newspapers of general circulation, as required by the Commission and as evidenced by the proof of publication filed with the Commission in this docket. The deadline to intervene in this matter was July 18, 2005. No comments or petitions to intervene have been received in response to the notice.

2. HTLD has operated as a telephone company providing telecommunications service in South Carolina since 1991. In addition, HTLD is a wholly-owned subsidiary of Horry Telephone Cooperative, Inc., which has operated as a telephone company providing telecommunications service in South Carolina since 1953. The Commission is familiar with the operations and standing of both HTLD and its parent company.

3. Along with this motion, HTLD is filing the testimony of Bill Rabon. The testimony is accompanied by a sworn verification executed by Mr. Rabon. Mr. Rabon's verified testimony demonstrates that the tariff revisions proposed by HTLD will be beneficial to HTLD's customers and that approval of the tariff revisions is in the public interest.

WHEREFORE, in that no parties have intervened or expressed an interest in being heard with respect to this matter after due notice and, therefore, the matter is uncontested, HTLD respectfully requests that the Commission decide this matter at its earliest convenience based on the proposed tariff revisions and verified testimony filed, and that the proposed tariff revisions be approved at the Commission's earliest convenience.

Respectfully submitted,

A handwritten signature in cursive script, reading "Margaret M. Fox". The signature is written in black ink and is positioned above a horizontal line.

M. John Bowen, Jr.
Margaret M. Fox
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Attorneys for Horry Telephone Long
Distance, Inc.

Columbia, South Carolina

July 21, 2005

1 **BEFORE THE**
2 **SOUTH CAROLINA PUBLIC SERVICE COMMISSION**
3 **DOCKET NO. 2005-84-C**
4 **DIRECT TESTIMONY OF BILL RABON**

5
6
7 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

8 A. My name is Bill Rabon, and I serve as the Director of Interconnection and Industry
9 Affairs for Horry Telephone Cooperative, Inc. My business address is 3480 Hwy 701
10 North, Conway, SC 29526.

11
12 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

13 A. I am testifying on behalf of Horry Telephone Long Distance, Inc. (HTLD), a subsidiary
14 of Horry Telephone Cooperative, Inc.

15
16 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

17 A. HTLD has filed with the S.C. Public Service Commission (Commission) revisions to its
18 S. C. Tariff No. 1. The filing affects intrastate long distance rates for both residential and
19 business customers. The filing is intended to simplify the current long distance pricing
20 structure by eliminating the distance-sensitive element of a long distance call. In
21 addition, the filing eliminates the rate variation between the initial and subsequent
22 minutes of use and reduces the number of rate periods from three to two.

1 **Q. WHAT CUSTOMERS WILL BE IMPACTED BY THESE CHANGES TO THE**
2 **LONG DISTANCE PRICING STUCTURE?**

3 A. The HTLD rate restructuring applies to those residential and business customers who do
4 not subscribe to any of the HTLD optional long distance calling plans. Long distance
5 rates for HTLD business customers are alternatively regulated; therefore, those rate
6 changes were presumed valid when filed and have already gone into effect. The rates
7 before the Commission in this filing relate to HTLD's residential customers.

8

9 **Q. HOW WILL CUSTOMERS WITHIN THE STATE BE IMPACTED BY THESE**
10 **CHANGES TO THE LONG DISTANCE PRICING STUCTURE?**

11 A. The vast majority of customers will be positively impacted by the new rate structure. In
12 addition to lower long distance rates for most customers and most types of calls, the
13 simplified structure will be easier for customers to understand and easier for the company
14 to administer. The types of calls affected by this filing are typically those long distance
15 calls destined for locations outside of the Florence LATA but within the state. Only a
16 small amount of long distance traffic is completed by HTLD within the Florence LATA
17 primarily because of the aggressively-priced area calling plan rates offered by the local
18 exchange companies operating within Horry and Georgetown Counties – HTLD's market
19 area.

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Q. WHAT IS THE PURPOSE IN MAKING THESE CHANGES TO THE PRICING STRUCTURE?

A. The pricing structure currently on file with the Commission has remained virtually unchanged for the last ten years. At the same time, the long distance marketplace has experienced significant changes. Rating long distance calls using the existing tariffed HTLD pricing structure is difficult for the customer to understand, difficult to market, and costly to bill. Rating long distance calls on a flat-rate-per-minute basis will be mutually beneficial to the customer and HTLD.

Q. HOW WILL THIS FILING IMPACT HTLD'S LONG DISTANCE CUSTOMERS?

A. When comparing the current tariffed rate schedule to the proposed rate schedule, and considering the HTLD customer base as a whole, the proposed pricing will result in cost savings to HTLD customers. With this filing, HTLD is restructuring its current tariffed pricing elements to eliminate the distance-sensitive factor as well as the variation in pricing between the initial minute of a call and subsequent minutes. Residential rates will be billed at \$.25 per minute during the day (8:00 a.m. through 5:00 p.m.) and \$.15 per minute for all other time periods. The night/weekend and evening rate periods have been combined into a single rate period for simplicity's sake. The 10/20/30% discount schedule currently listed in the HTLD tariff will remain, with the appropriate discount percentage being applied to the HTLD residential customer's retail bill.

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**Q. WOULD ANY HTLD CUSTOMERS BE ADVERSELY IMPACTED WITH THE
NEW RATE PLAN?**

A. A recent study was conducted to identify those call types, and their related minutes of use, which would be adversely impacted by the proposed pricing revisions. Overall, the study indicates that only a small percentage of HTLD intrastate minutes would be rated at a higher rate. There is a possibility that a particular customer could see an increase in his or her bill, depending on calling patterns. Overall, however, the vast majority of customers should see a reduction in their long distance bills.

With the implementation of the new HTLD rate structure, and considering both intrastate and interstate long distance calling traffic, the non-rate-plan HTLD residential customer base is expected to realize annual savings. Of these savings, the majority of the total savings is associated with intrastate long distance.

The very limited number of calls that could be adversely affected by the filing are identified as short-distance, longer duration, interLATA calls made at specific times of the day to specific destinations within the state. Based upon a recent one-month study, these calls make up a very small percentage of the total intrastate direct-dialed minutes of use (MOU). An analysis of the types of calls that would be impacted is as follows:

Day Rate Period Calls. Of the total intrastate, interLATA MOU for one month, 2.65% of the MOU were completed to interLATA short-haul destinations during the day rate

1 period. The initial and additional MOU rate for this rate band, currently tariffed at a per-
2 minute rate of \$.29 and \$.23 respectively, now changes to \$.25 for all minutes. Thus, for
3 these specific types of calls, a customer making a call that is 4 or more minutes in
4 duration would see an increase in the charge for that particular call. The remaining
5 97.35% of MOU during the day rate period would be charged at a lower rate under the
6 new proposed tariff than under the current tariff.

7
8 Night/Weekend Period Calls. Of the total intrastate, interLATA MOU for one month,
9 1.1% of the MOU were completed to interLATA short-haul destinations during the
10 night/weekend rate period. The initial and additional MOU rate for this rate band,
11 currently tariffed at a per-minute rate of \$.165 and \$.144 respectively, now changes to
12 \$.15 for all minutes. Thus, for these specific types of calls, a customer making a call that
13 is 4 or more minutes in duration would see an increase in the charge for that particular
14 call. The remaining 98.9% of MOU during the night/weekend rate period would be
15 charged at a lower rate under the new proposed tariff than under the current tariff.

16
17 Evening Period Calls. Of the total intrastate, interLATA MOU for one month, 2.3% of
18 the MOU were completed to interLATA short-haul destinations during the evening rate
19 period. The initial minute and additional MOU rate for this rate band, currently tariffed at
20 a per-minute rate of \$.19 and \$.1725 respectively, now changes to \$.15 for all minutes.
21 Thus, 100% of the calls made during this rate period would see a decrease under the new
22 plan.

1 The Day Rate Period will continue to include the times between 8:00 a.m. and 5:00 p.m.,
2 Monday through Friday. The Evening and Night/Weekend Rate periods have been
3 combined to include the time beginning at 5:01 p.m. and running through 7:59 a.m.
4 Monday through Thursday, and 5:01 p.m. Friday until 7:59 a.m. Monday, as well as all
5 designated holidays.

6
7 **Q. WHEN WOULD THE PROPOSED RATES BECOME EFFECTIVE?**

8 A. HTLD would make the proposed rates effective as quickly as possible upon receiving
9 Commission approval.

10
11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes it does.

VERIFICATION

I, Bill Rabon, first being duly sworn, depose and say that I am Director of Interconnection and Industry Affairs for Horry Telephone Cooperative, Inc., parent company of Horry Telephone Long Distance, Inc.; that I have read the foregoing pre-filed testimony and know the contents thereof; and that said contents are true.

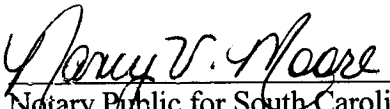


Bill Rabon

SC Notary Public
Commission Expires 11-17-2007
2005 JUL 21 PM 4:07
Horry Telephone Cooperative, Inc.

SWORN to before me this

20th day of July, 2005.

 , L.S.
Notary Public for South Carolina
My Commission expires: 11-17-2007

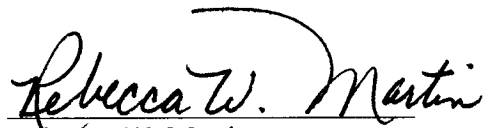
BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-188-C

2005 JUL 21 03 46 07
S.C. PUBLIC SERVICE COMMISSION
COLUMBIA, SC

RE: Horry Telephone Long Distance, Inc. Tariff)	
Filing to Eliminate Distance-Sensitive Elements)	
and Introduce a New Flat Rate Offering to)	
Residential Customers)	CERTIFICATE
_____)	OF SERVICE

I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy each of a Motion for Expedited Review and the verified testimony of Bill Rabon in the above-referenced matter on the following party of record by causing said copy to be deposited with the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below.

Benjamin Mustian, Esquire
Office of Regulatory Service
Post Office Box 11263
Columbia, South Carolina 29211


Rebecca W. Martin
McNair Law Firm, P.A.
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July 21, 2005

Columbia, South Carolina